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CIA May Have Ended Nassau Bank Probe

The CIA may have forced federal investigators in Miami to abandon an investigation of a Nassau bank that operated as a tax shelter for prominent Americans, sources said Friday.

The investigation of accounts at Castle Bank & Trust Ltd. ended quietly, several years ago, without filing as many as 300 pending tax cases.

Organized crime figures, entertainers and several prominent magazine publishers reportedly had hundreds of thousands of dollars in the bank.

New details about the aborted investigation, nicknamed Project Haven, were revealed Friday in the wake of Wall Street Journal story about the CIA's involvement.

"I've had suspicions for a long time that the CIA was involved," a former IRS investigator said.

A once-prominent Miami lawyer, who represented a former Castle

Bank official, said he thought the CIA pressured the Department of Justice to end the investigation.

The reported reason for CIA interest in the bank was national security.

The Castle Bank may have laundered CIA funds for the Bay of Pigs invasion of Cuba, sources said. The bank also may have been used to move CIA money for other Latin American operations.

A key link to the theory of CIA involvement in the bank is former Miami lawyer Paul L.E. Helliwell, who died in 1976. Helliwell represented the Castle bank. He was a former OSS officer in World War II and reportedly was connected with the CIA.

When IRS agents obtained a secret list of the Castle Bank's clients in 1973, Helliwell may have used his CIA contacts to force an abrupt end to the investigation, sources said.